Sprint

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October 26, 2001

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: *Docket No. 00-00873 (Rulemaking Proceeding – Proposed Amendments to Regulations for Telephone Service Providers – Service Standards);* Sprint's Comments.

Dear Mr. Waddell:

Pursuant to the Tennessee Regulatory Authority's October 18, 2001 Notice, enclosed for filing in the above proceeding are the original and thirteen copies of the Written Joint Comments of United Telephone-Southeast, Inc. and Sprint Communications Company L.P.

Please contact me if you have any questions regarding this filing.

Sincerely yours,

James B. Wright

James B. Wright

Enclosures

cc: Industry Members (with enclosure)
Consumer Advocate and Protection Division (with enclosure)
Whitney Malone
Laura Sykora
Kaye Odum

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

In Re: In the Matter of Notice of Rulemaking Amendment of Regulations for Telephone Service Providers

Docket No. 00-00873

COMMENTS OF SPRINT COMMUNICATIONS COMPANY L.P. AND UNITED TELEPHONE – SOUTHEAST, INC.

The above mentioned companies (hereinafter "Sprint") have reviewed the Tennessee Regulatory Authority's (hereinafter "Authority") second set of proposed rules dated August 16, 2001. These proposed rules update a first set of proposed rules dated September 29, 2000. The first set of proposed rules was the subject of three separate workshop discussions held among Authority staff and interested parties. The second set of proposed rules positively reflects these discussions in many regards; however, Sprint strongly supports the Joint Industry Comments filed October 26, 2001 and makes the following comments in support thereof.

Trouble Report (1220-4-2-.01(26)). The Authority's first set of proposed rules included the following sentence: "[o]ne [trouble] report shall be counted for each oral or written report received even though it may duplicate a previous report or merely involve an inquiry concerning progress on a previous report." The Authority's second set of proposed rules have added "...provided that the additional report occurs greater than thirty (30) hours." Despite the added proviso, Sprint continues to believe that the entire sentence should be deleted.

Sprint believes that the trouble report metric should be used to record the actual occurrence of troubles in the local telephone network. Including duplicate reports and mere inquiries, whether received within or beyond thirty hours, inflates the true metric that the Authority should track, makes administrative review less meaningful and reporting more difficult.

Sprint notes that the majority of troubles are out-of-service trouble reports and that a high percentage of second inquiry type contacts are merely to furnish alternative telephone numbers where customers can be reached. Under the latest Staff proposed rules, should the trouble not be cleared in 30 hours combined with a customer inquiry the company would effectively get penalized multiple times for the incident: 1) initial customer contact to report trouble, 2) customer adjustments or credits under the proposed 1220-4-2-.04, and 3) second customer contact for inquiry or to provide updated contact information.

Further, considering inquiries made after 30 hours as additional trouble reports could be detrimental to customer service in that the second call would require a new report time, effectively allowing a longer window of time for the company to respond. Since the call report could generate a second company response to a trouble that has already been cleared, not only are company resources wasted but it is also confusing to customers when done purely to meet a regulatory reporting requirement.

To accurately record the occurrence of troubles in the local network, to allow companies a fair measure of the health of their network, and to provide the best customer service, Sprint supports the following definition provided in the Joint Industry Comments filed October 26, 2001:

"Trouble Report" means any oral or written notification from a customer relating to a physical defect, problem or dissatisfaction with the operations of telephone facilities. One report shall be counted for each oral or written trouble report received except to the extent it duplicates a previous report or merely involves an inquiry concerning progress on a previous report.

Customer Refunds (1220-4-2-.04) The second set of proposed rules has been rewritten to add at subsection (1)(a) a requirement that customers be given an automatic pro rata refund for outages caused by acts of God or civil disturbances. Because these kinds of disasters are already costly enough for the industry in terms of capital and labor needed to restore service, Sprint recommends exempting from this Rule all situations beyond the control of the telecommunications service provider. In cases where restoration of service is prevented due to failure of the customer to grant reasonable access to the NID, no credit should be given. In view of these exemptions, Sprint recommends keeping a pro rata refund if service interruption continues in excess of thirty (30) hours from the time it is reported to the telecommunications service provider.

Customer Deposits (1220-4-2-.05). Current Tennessee rules require that local exchange carriers collect security deposits pursuant to tariffs on file with the Authority. The first set of proposed rules at subsection (1) further provided that "[d]eposits shall be calculated on the amount of security needed to ensure payment of an average of two (2) months local service charges, *if the customer agrees to subscribe to a toll blocking service*." (Emphasis added). The second set of proposed rules dropped the "if the customer agrees to subscribe to a toll blocking service" clause. The deletion effectively means that the maximum security deposit Sprint can collect from customers is two times

its monthly charge for local service -- in Sprint's case ranging from $8.58 as a low and $13.09 as a high per month -- regardless of whether the customer accepts toll blocking or not.

It is doubly punitive if the Authority restricts the industry's principal means of ensuring payment for toll and long distance services previously rendered -- that is through disconnection of local service -- then additionally prevents the industry from collecting adequate up-front security deposits from customers with no, bad, or compromised payment histories. The second set of proposed rules not only fails to allow the industry to secure adequate security for toll and long distance services but instead prohibits the industry from collecting any security deposit for these services.

The language change in the second set of proposed rules should be reversed and the prohibition on collecting security deposits for toll and long distance services be made effective only when the customer accepts toll blocking. Sprint notes that it has not objected to subsection (2) of the proposed rules requiring security deposits to be returned to the customer upon the happening of certain events establishing a good payment history.

Disconnect for Nonpayment (1220-4-2-.06). The Authority's second set of proposed rules prohibits local exchange carriers from disconnecting a customer's local service for the nonpayment of toll and nonregulated services. Thus, if one were to place all potential telecommunications services on a continuum, at one end would be local service as well as other tariffed, regulated services such as vertical features, directory assistance and voicemail. All of these services are "deniable" under the proposed rule,

meaning to say that local service can be disconnected (or denied) for their nonpayment. Under the proposed rule, deniable services cannot be disconnected (or denied) for failure to pay "nondeniable" items such as toll, long distance or nonregulated services.

Current Tennessee rules and Sprint's local tariff allow all telecommunications services to be deniable, the only exception being pay-per-call services per federal regulation. While Sprint does not oppose expanding the list of services that should be considered nondeniable, Sprint suggests leaving toll and long distance services in the deniable category. These variable usage services, which are necessarily billed in arrears, are already subject to significant customer mismanagement and outright abuse, albeit by a small minority of customers. Sprint's experience in other states that have made toll and long distance services nondeniable shows a convincing pattern of increased bad debt expenses. Such a result is only to be expected given that local exchange carriers' principal means of policing literally millions of small accounts has been taken away.

In any event, Sprint would suggest allowing packages of local, vertical features, toll and long distance services bundled together for a single price to be considered deniable in its entirety. This avoids the customer confusion involved in having to unbundle a package and recognizes the fact that people are making less of a distinction between local, toll and long distance calling as a result of their experience with wireless telephones.

Fifteen Day Disconnect/Twenty Day Bill Payment (1220-4-2-.06 & .14). Sprint's local company currently allows its customers eighteen (18) days to pay their bill and another five (5) days for disconnect notices. The first set of proposed rules extended this

time period to twenty (20) and ten (10) days respectively. Although the industry ultimately accepted the Authority's twenty (20) days for bill payment, the industry asked for a five (5) day disconnect notice cycle. The second set of proposed rules carries over the original twenty (20) day bill payment proposal; however, the deny notice cycle surprisingly has been extended to fifteen (15) days.

Sprint customers currently can take twenty-three (23) days to pay their bill without disconnection. The second set of proposed rules extends this period by twelve (12) days to thirty-five (35) days, a fifty (50%) percent increase. Of the eighteen (18) states in which Sprint is an incumbent local exchange carrier, no state requires a fifteen (15) day disconnect notice cycle.

The extra disconnect notice time creates two distinct costs for Sprint. First, the time allows customers who never intend to pay their bill that much more time to run-up charges before finally being stopped. Sprint has noticed an increasing pattern of subscription fraud where new customers fail to make a single payment. Second, even where customers do eventually pay, Sprint is further delayed in receiving payment for toll and long distance services rendered over a month earlier. Sprint believes a fifteen (15) day disconnect notice cycle is unreasonable and asks the Authority to adopt a five (5) day disconnect notice cycle as proposed in the Joint Industry Comments filed October 26, 2001.

Soft Dialtone (1220-4-2-.07). Subsection (1)(c) provides that underlying carriers shall provide soft dialtone to the customers of disconnected local service resellers for fifteen (15) days or until the customer selects another local provider, whichever is less.

Sprint has continued to review its system capabilities and believes it can provide soft dialtone for at least fourteen (14) days as recommended in the Joint Industry Comments with no system modifications; however, a fifteen (15) day requirement will necessitate significant system modifications. Sprint believes that fourteen (14) days of soft dialtone service to customers of the disconnected reseller will serve the public interest while substantially lessening the implementation cost burden imposed upon Sprint.

White Pages (1220-4-2-.09). Subsection (8) of the second set of proposed rules provides that all telephone numbers changed after the publication of a directory shall have an intercept service placed on the prior number and that calling parties shall be given the called party's new number via recording. While the rule allows for customers to request that the intercept service not be provided, Sprint strongly supports the Joint Industry Comments which state that the intercept service only be established upon customer request. This better serves the customer who has changed their number for privacy or safety concerns and avoids the negative option imposition of a possibly unwanted service to customers.

Primary Service Order Installation (1220-4-2.16 (1)(b)). Current rules require eighty-five (85%) percent of regular service order installations to occur within five (5) working days in exchanges with more than 3000 access lines. The standard is seventy-five (75%) percent of such orders within five (5) days in exchanges with less than 3000 lines. The second set of proposed rules requires "primary service orders" to average three (3) working days for completion, where primary service has specifically been

defined to only include the initial installation of dialtone. Furthermore, the second set of proposed rules requires companies to calculate service order beginning and ending times down to the exact hour.

Sprint cannot currently track service order beginning and ending times to the exact hour without major changes to its information systems. In addition, Sprint believes a three (3) day average is too short of an interval since this standard is an exchange specific measure and only initial installation of dialtone is to be included in the measure. Sprint strongly supports the Joint Industry Comments that five (5) working days be adopted.

Repeat Out-of-Service Trouble Reports (1220-4-2.16 (1)(i)). Current rules do not specifically address repeat trouble reports. Both the first and second set of proposed rules have sought to set a standard that says no more than a certain percentage of out-of service trouble reports should be repeat trouble reports. The first set of proposed rules set the percentage at five (5%) percent and the second at fifteen (15%) percent. The message the industry sought to convey at the workshops is that measuring out-of-service trouble reports (a subset of trouble reports as defined at 1220-4-2-.01(26)) that are also repeat trouble reports (as defined at 1220-4-2-.01(18)) is not that meaningful a measure. The standard certainly does not take into account the nature of the initial trouble report.

The industry suggested in the workshops that the more typical measure is repeat trouble reports as a percentage of trouble reports. The Joint Industry Comments of October 26, 2001 offers 20 percent (20%) of out-of-service trouble reports shall be instances in which loss of service is due to the same cause reported and resolved in the

previous 30 days. Sprint suggests the industry's proposed standard is a more meaningful measure than that in the proposed rule.

Additionally, Sprint notes that this second set of proposed rules has subjected this measure to QSMs whereas the first set of proposed rules did not.

Quality of Service Mechanisms (1220-4-2-.17). Sprint believes the second set of proposed rules more clearly state how QSMs are to operate. However, Sprint notes the second set of proposed rules expands the QSMs in several significant respects.

First, both the first and second sets of proposed rules invoke QSMs for failures regarding service order completion, trouble reports per 100 lines and out-of-service restorations. However, the second set of proposed rules has added the out-of-service repeat trouble standard (subsection 1220-4-2-.16(1)(i)) to the list of standards invoking QSMs. Because Sprint has already expressed concerns with this measure and because the measure has no corresponding QSM, Sprint suggests removing it from the list of standards that invoke QSMs.

Sprint strongly supports the Joint Industry Comments that QSMs be invoked for violations during any four (4) consecutive months of a calendar year. In addition, the second set of proposed rules appear to invoke the whole broadside of QSMs based upon a single standard being violated. Sprint agrees it should be clarified and is better stated as "The respective QSMs shall be automatically triggered by the ETC within the exchange where the ETC violates any of the provisions of Chapter . . ." (Joint Industry Comments filed October 26, 2001).

Lifeline and Link-Up (1220-4-2-.18). Sprint believes that the specifics of the Lifeline and Link-up Programs are better governed by the Company's tariffs in accordance with Authority Orders. Further, Sprint believes the Authority should not expand the eligibility for Lifeline and Linkup until the Authority has finally established a funding mechanism in its universal service docket.

Respectfully submitted this 26th day of October 2001,
Sprint Communications Company L.P.
United Telephone-Southeast, Inc.

James B. Wright

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